(b) if so, the details thereof along with the financial allocation made for setting up of the power plant, location-wise; and

(c) whether any time frame plan in this respect has been formulated by Government, if so, by when it is likely to set up?

THE MINISTER OF POWER (SHRI SUSHILKUMAR SHINDE): (a) to (c) Sumhadri Stage-II (2x500 MW) coastal coal based power project at an estimated cost of Rs. 4844.42 crore is proposed to be set up by NTPC Ltd. in the State of Andhra Pradesh. The Commissioning of two units of this project are expected by September, 2010 and March, 2011 respectively.

In addition, bidding process has been initiated in respect of Krishnapatnam Ultra Mega Power Project (4000 MW).

Opening up of power sector

1430. SHRI RAVULA CHANDRA SEKAR REDDY: Will the Minister of POWER be pleased to state:

(a) whether Government have any proposal to open up the power sector to competition as that would not only provide choice to consumers but also bring efficiency and cost reduction;

(b) if so, the details thereof; and

(c) the present status of power sector scenario in the country?

THE MINISTER OF POWER (SHRI SUSHILKUMAR SHINDE): (a) and (b) Introducing competition in the electricity industry is one of the key objectives of the Electricity Act, 2003.

The Tariff Policy, which has been notified under the provisions of the Act, required all future requirement of power to be procurred competitively by distribution licensees except in cases of expansion of existing projects or where there is a State controlled/owned company as an identified developer. For Public Sector projects, tariff of all new generation and transmission projects after a period of five years will have to be decided on the basis of competitive bidding. The Central Government has issued guidelines for tariff based bidding for procurement of power by distribution licensees and also for procurement of transmission services. Competitive bidding has already been completed for two Ultra Mega Power Projects of

capacity of 4000 MW each. Fourteen transmission projects have been identified for competitive bidding. Action for competitive bidding has been initiated for four of these projects.

The act also provides that the Appropriate Commission can grant a licence to two or more persons for distribution of electricity through their own distribution system within the same area, subject to compliance with the additional requirements relating to capital adequacy, credit-worthiness, or code of conduct. Central Government has already notified the additional requirements in this regard.

Open access in transmission has become operational. Under the Act, the State Electricity Regulatory Commissions (SERCs) are required to provide, latest by 27.1.2009, by regulation, open access to all consumers whose demand exceeds 1 MW. The SERCs of twenty States have issued regulations for introduction of open access in distribution and seventeen SERCs have specified the methodology for calculation the open access surcharge.

(c) The trend of continuously increasing commercial losses of Power Utilities has been arrested after 2001-02. The commercial losses (without subsidy) in State Power Utilities had increased from Rs. 4,560 crores during 1992-93 to Rs. 25,259 crores during 2000-01. The overall commercial losses of the utilities without subsidy during the year 2003-04, 2004-05 and 2005-06 were Rs. 19,722 crores, Rs. 21,328 crores and Rs. 16,563 crores (provisional figures) respectively. However, losses are still high in some States. Accordingly to available information, the losses of utilities in Bihar, Jharkhand, Haryana, Jammu & Kashmir, Punjab, Rajasthan, Uttar Pradesh, Tamil Nadu and Maharashtra have increased. The Government is implementing the Accelerated Power Development and Reforms Programme (APDRP) for assisting States in reforming distribution utilities and upgrading the distribution network.

There is an overall shortage of power in the country. The shortages vary from State to State and season to season, as well as times of day depending on the demand and supply of power. The Government of India supplements the efforts of the State by way addition to generation capacity and establishment of bulk high voltage transmission system in the Central Sector through Central Public Sector Undertakings. The average energy shortage and peaking shortage in the country during the current year

(April, 2006 to February, 2007) was of the order of 9.5% and 14.2% respectively.

The confidence of the investors in the power sector has increased in recent years. As per the information available, a total capacity of about 24,860 MW (thermal, hydel and nuclear) was under construction at the end of year 2002-03. Presently, a total capacity of about 43,600 MW (thermal, hydel and nuclear) is under execution.

Development of areas near NTPC units

†1431. SHRI RUDRA NARAYAN PANY: Will the Minister of POWER be pleased to state:

(a) whether NTPC doesn't intend to spend money for developing the area surrounding the places where it has installed its plants;

(b) if not, the expenditure made by the corporation for this purpose and its percentage in terms of total income; and

(c) whether any proposal is lying with NTPC to provide electricity free of cost for developing the surrounding area?

THE MINISTER OF POWER (SHRI SUSHILKUMAR SHINDE): (a) and (b) NTPC Ltd., as a responsible corporate organization has been addressing the issue of community development in the neighbourhood area of its stations. This is administered primarily as part of resettlement and rehabilitation (R&R) effort as per the provisions of its Resettlement and Rehabilitation (R&R) Policy during initial construction and commissioning phase. For the stations where the R&R activities have been completed, NTPC Ltd. has adopted a comprehensive Corporate Social Responsibility-Community-Development (CSR-CD) Policy.

Since, NTPC Ltd.'s operating stations are located all over India under varying socio-economic condition, the community development programmes are identified and formulated based on the specific needs and requirement of the particular site. The Community Development Programmes are, therefore, formulated based on Need Assessment Survey (NAS) for identifying the specific areas of concern and are implemented in a systematic, uniform and consistent manner.

†Original notice of the question was received in Hindi.